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2 AUG 1968

MEMORANDUM FOR : Director of Personnel

SUBJECT : Annual Report

1. Attached are Annual Reports submitted by the Benefits and Services Division (BSD) and the Contract Personnel Division (CPD). You will also find attached some additional highlights selected from some of my own activities during this past Fiscal Year.

2. One general observation on these reports is that, as in past years, they are more lengthy and more detailed than really needed for your purposes. I trust you will understand, however, that the effort used in compiling reports of this type accomplishes more than one purpose. Certainly, it tells you the nature and scope of the Divisions' work. Beyond that, however, these reports serve a historical purpose since they reflect much of what actually occurred—in detail—during a Fiscal Year period. Let me also acknowledge, however, that the reports, particularly that of BSD, need improvement. The Branch reports are not consistent in terms of format and substance. The writing could be improved. I will discuss this with both Chiefs so that next year, a better document from each Division will be submitted.

3. Some specific comments:

Benefits and Services Division

a. It was obvious during my tenure as C/BSD that some organizational changes were needed. Some possible changes were discussed with you but with the pending arrival of a new C/BSD these were deferred. I have discussed my earlier ideas with C/BSD and as soon as we complete our review of his Branches' personnel needs, structure, and work, some specific recommendations will be submitted.

b. I believe C/BSD was premature in suggesting that a possible change in the overseas medical program might result in reorganization and personnel consolidation. Our thinking has not yet gone that far, and whether a change in the administration of the overseas medical program will be effected is uncertain. I had made such a recommendation in past years and the Comptroller General's study of the Department of State's program appears to fortify our own view that something should be done.

c. We are committed to completing our work on the task force survey of Central Processing Branch. A report to this effect will be submitted within the near future.

d. In some of the Branch reports, certain problems have been raised. Let me anticipate your calling for reports on these by indicating that I intend to review all such items with C/BSD. Where warranted, individual papers will be submitted to you for review and decision.

e. Overall, BSD has carried more than its share of work, much of which involves substantive programs of great interest to higher management. It is a credit to Division personnel that the work was done and that the flaps were few.

Contract Personnel Division

It is quite apparent that CPD is about to assume a greater degree of responsibility for and a more important role in managing certain categories of Agency personnel. Moreover, the application of ADP to the area of contract personnel is an exciting prospect. While C/CPD is ready to assume this greater responsibility and involvement in the management of contract personnel, it is clear that he will have difficulty doing so without additional personnel and the accompanying need for space. C/CPD and I will soon meet to study the present and future implications of current and anticipated work load and his personnel and space needs. Within the near future we will submit recommendations for your consideration.

4. The coming reporting year will finally see the end result of earlier efforts to have a single division responsible for the substantive program of retirement and all of its facets. This will then perfect the Special Programs Directorate. One of our first actions will be to establish a non-bureaucratic relationship among the three Divisions in programs or activities of common interest or responsibility as in a death case of a career agent which involves BSD (in the handling of the emergency requirements and the settlement of affairs), CPD, and where retirement is involved, the Retirement Affairs Division (RAD). I intend also to examine the possibility of centralizing the exit processing of contract employees. Now that most have the statutory fringe benefits, we are concerned that resignees may not be receiving adequate briefings on their rights under these various programs as they leave the Agency. We foresee the possibility also of transferring from CPD to RAD the responsibility for developing project retirement plans and for Social Security matters. Our examination of other activities may disclose more of the same. Obviously, no change will be made without your review and approval.

5. Notwithstanding our acknowledgment that these reports contain some deficiencies, I have the privilege of submitting them to you as evidence of the manner in which two of your Divisions contributed to the Office of Personnel's mission during Fiscal Year 1968.


Deputy Director of Personnel
for Special Programs

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DD/Pers/SP ACTIVITIES

The following are some highlights of my own activities, most of which occurred during my tenure as Chief, Benefits and Services Division.

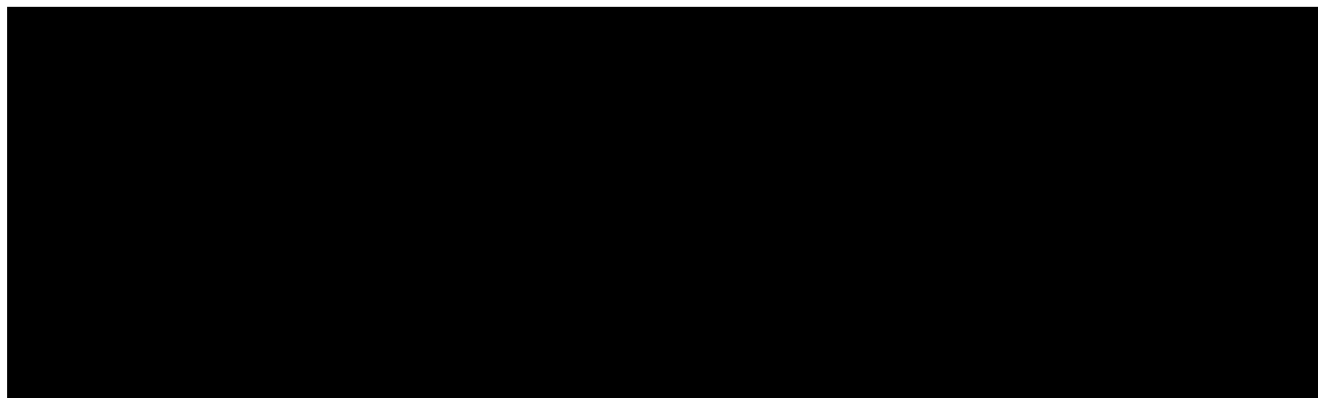
1. **New Fringe Benefits for Contract Employees**

Following the Agency's success in obtaining approval from the Civil Service Commission for the extension of Civil Service Retirement, Federal Employees' Group Life Insurance, and Federal Health Benefits to contract employees, a considerable portion of time was devoted, in collaboration with representatives of BSD and CPD, to preparing implementing procedures and instructions and settling the myriad details associated with the extension of these benefits.

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GROUP 1
Excluded from automatic
downgrading and
declassification

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3. Casualty Program

We were "up to our ears" in participating, handling and reporting on events and casualties during the TET Offensive. The Office of Personnel's leadership role in casualty situations not only was recognized but was expected. We believe that our response was fully satisfactory.

4. Miscellaneous

a. During the reporting period, I handled a sensitive OSA/DS&T death case which involved travel to the West Coast and liaison with a cleared attorney. The case is proceeding uneventfully.

b. In our last report, we mentioned work that was being done on the [REDACTED] That work continued and we are almost ready to transfer the funding of death benefits from the Agency to BEC.

c. CIA Retirement, and retirement generally, consumed a considerable amount of time during the reporting period. There is no need to detail the dimensions of this activity which involved a review of Agency policy, reaffirmation of that policy and contact with many Agency employees involved. New concepts relating to participation and retirement under the CIARDS were also initiated. We anticipate that the substantive program of retirement will continue to receive considerable attention by the Agency's top management.

d. I participated in a new review of the Agency's parking problem in the Rosslyn area. A committee established for this purpose submitted a full report with recommendations.

e. A new committee, established by the Deputy Director for Support, is studying prisoner interrogation and new methods to prepare employees who are assigned to risk-of-capture posts. The committee's work has not yet been completed.

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5. Educational Aid Fund (See Attached Report)

The appointment of Mr. John A. Bross as Chairman, EAF Board of Trustees resulted in a new interest in EAF matters. Mr. Bross is determined to develop new sources of income which will permit a greater response by EAF to the educational needs of dependents of Agency employees. He had accepted certain of my recommendations and this year's review of applicants for EAF grants was conducted not by the Board of Trustees, as in past years, but by a Selection Committee appointed by each Deputy Director. Mr. Matthew Baird was employed to serve as Chairman of this Selection Committee. Another innovation was that all applicants were reviewed on an anonymous basis. The result of these changes was that the work was done in much less time than before. The EAF Board of Trustees has approved using this approach in future years.

6. Credit Union (See Attached Report)

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ANNUAL REPORT
EDUCATIONAL AID FUND
(1 July 1967 - 30 June 1968)

A. Funds Received 1966-67

| | |
|-------------------------------|-----------------|
| 1. 1966-67 Campaign | \$12,566.30 |
| 2. After Campaign Ended | 461.88 |
| 3. Donations from Individuals | <u>3,228.00</u> |
| | \$16,256.18 |

B. Funds Received 1967-68

| | |
|-------------------------------|------------------|
| 1. 1967-68 Campaign | \$11,395.16 |
| 2. After Campaign Ended | 462.15 |
| 3. Donations from Individuals | <u>10,933.01</u> |
| | \$22,790.32 |

C. Students Grants

1. Academic Year 1967-68

Twenty-six grants issued totaling \$12,750

2. Academic Year 1968-69

Twenty-five grants will be issued totaling
\$12,500

D. Board of Trustees Action

1. The Board approved the recommendation of the Chairman that [REDACTED] be named Executive Secretary for the Board of Trustees. (3 August 1967)
2. Mr. John A. Bross accepted his nomination as Chairman of the Board replacing Sherman Kent. (15 November 1967)
3. Mr. Cord Meyer and Mr. Hugh Cunningham were appointed to the Board to fill vacancies. Confirmation of the appointments was announced by the Chairman of the Board. (3 June 1968)

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E. Workload Data

Applications are sent out in Jan. - Feb. with a deadline of 1 April; preliminary ratings and preparation of applicant material for the Board meeting are processed in April; selections are made by the Board of Trustees in May; letters are written to both successful and unsuccessful candidates in May - June; checks and letters are sent to successful candidates in August. In addition to the preceding cycle of work, donations are accepted throughout the year, bulletins announcing the availability of applications are sent to Headquarters and overseas, tax forms are completed, and periodic status reports are maintained.

F. Plans and Objectives for FY 1969-70

Innovations such as submitting the applicants anonymously which was successful in 1968 will be continued. An attempt at revision of application forms which was tried in 1968 will be further advanced in subsequent years. The Board of Trustees are encouraging a stepped-up campaign for funds this year with improved descriptive materials and the establishment of a goal.

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